



March 22, 2016

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

39 April 5, 2016

*Lori Glasgow*  
LORI GLASGOW  
EXECUTIVE OFFICER

The Honorable Board of Supervisors  
County of Los Angeles  
383 Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

SUBJECT: LENNOX SCHOOL DISTRICT REQUEST FOR BOARD TO AUTHORIZE  
SALE OF BONDS BY NEGOTIATION AND TO LEVY TAXES AND TO  
DIRECT THE AUDITOR-CONTROLLER TO PLACE TAXES ON TAX ROLL

Dear Supervisors:

At an election held on November 6, 2007, the electorate of the Lennox School District (the "District") authorized the District to issue bonds in the aggregate principal amount of up to \$10,700,000 to finance capital improvements to the District's public school facilities.

On December 27, 2007, pursuant to a resolution of the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") adopted on December 11, 2007, at the request of the District, pursuant to a resolution of the Board of Trustees adopted on November 20, 2007, a series of bonds from such authorization designated the "Lennox School District (Los Angeles County, California), General Obligation Bonds, Election of 2007, Series 2007," in the aggregate principal amount of \$3,818,826.85 was issued and sold.

At this time, the District intends to issue another series of bonds (the "Series 2016 Bonds") pursuant to the voters' authorization and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. The Board of Trustees of the District has authorized the issuance and sale of not to exceed \$1,500,000 principal amount of the Series 2016 Bonds by a resolution adopted on March 8, 2016, which approves a Bond Issuance Agreement for the Series 2016 Bonds. The executed District resolution (original signatures) and a copy of the Bond Issuance Agreement are enclosed.

BOARD OF TRUSTEES  
Shannon Thomas-Allen  
Marisol Cruz  
Angela Fajardo  
Sergio Hernandez, Jr.  
Juan Navarro

ADMINISTRATION  
Mr. Kent Taylor, Superintendent  
Mrs. Becki Blanco, Senior Director of Instructional Services  
Mr. Kevin Franklin, Senior Director of Fiscal Services  
Dr. Hiacynth Martinez, Senior Director of Personnel

SCHOOLS  
☐ Buford  
☐ Felton  
☐ Jefferson  
☐ Moffett  
☐ Huerta  
☐ Lennox Middle School

The District formally requests that the Board of Supervisors adopt the enclosed resolution at its earliest opportunity to authorize the District to sell the Series 2016 Bonds by negotiated sale pursuant to Government Code section 53508.7 and Education Code section 15146 and, in accordance with Education Code Section 15250, to levy the appropriate taxes for the payment of the Series 2016 Bonds and to direct the Auditor-Controller of the County to place these taxes on the tax roll every year according to a debt service schedule and instructions that will be provided upon the issuance of the Series 2016 Bonds, which is currently scheduled for May 3, 2016.

IT IS THEREFORE REQUESTED THAT:

1. The Board of Supervisors adopt the enclosed County Resolution.
2. After the Board of Supervisors has taken action on this letter, the District requests that the Clerk of the Board of Supervisors furnish two (2) certified copies of the County Resolution to:

Deborah Fields, Senior Paralegal  
Kronick Moskovitz Tiedemann & Girard, A Professional Corporation  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 98514

and send one (1) copy of the County Resolution to each of the following:

Los Angeles County Treasurer and Tax Collector  
Attention: John Patterson  
500 West Temple Street, Room 432  
Los Angeles, CA 90012

Los Angeles County Auditor Controller  
Attention: Lotis De Ungria  
500 West Temple Street, Room 603  
Los Angeles, CA 90012

Los Angeles County Counsel  
Attention: Thomas R. Parker  
500 West Temple Street, Room 653  
Los Angeles, CA 90012

Very truly yours,

LENNOX SCHOOL DISTRICT

A handwritten signature in blue ink, appearing to read "K. Franklin", is written over the printed name.

Kevin Franklin, Senior Director of Fiscal Services

cc: Deborah Fields

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, REGARDING THE SALE OF BONDS BY THE LENNOX SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR, AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION BONDS, AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL**

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**WHEREAS**, the issuance of \$10,700,000 principal amount of general obligation bonds of the Lennox School District (the "District"), County of Los Angeles, State of California, was authorized at a duly called election held within the District on November 6, 2007 (the "Election"), the proceeds of which are to be used for the acquisition and construction of certain capital improvements to the public school facilities of the District;

**WHEREAS**, on behalf of the District, the Board of Supervisors of the County of Los Angeles (the "County Board") authorized and issued the first series of the bonds on December 27, 2007, designated the "Lennox School District (Los Angeles County, California) General Obligation Bonds, Election of 2007, Series 2007," in the aggregate principal amount of \$3,818,826.85;

**WHEREAS**, on behalf of the District, the County Board issued the second series of the bonds on March 1, 2012, designated the "Lennox School District (Los Angeles County, California) General Obligation Bonds, Election of 2007, Series 2012" in the aggregate principal amount of \$1,199,988.70;

**WHEREAS**, California Government Code sections 53506 and following provide full authority for a school district to issue its general obligation bonds; and Government Code section 53508.7 authorizes the negotiated sale of school district bonds pursuant to California Education Code sections 15140 or 15146;

**WHEREAS**, Education Code section 15146(a) provides that the governing board of a school district may sell its bonds at negotiated sale; Education Code section 15140(b) provides that the board of supervisors of a county may authorize a school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if the school district has not received a qualified or negative certification in its most recent interim report;

**WHEREAS**, the Board of Trustees of the District (the "District Board"), has determined in its Resolution adopted March 8, 2016 (the "District Resolution"), to authorize the issuance and sale of its "Lennox School District (Los Angeles County, California) General Obligation Bonds, Election of 2007, Series 2016" (the "Series 2016 Bonds"), in an amount not to exceed \$1,500,000 under the provisions of Article 4.5 of Chapter 3 (commencing with Section 53506) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") for the purpose of financing projects authorized at the Election;



**WHEREAS**, pursuant to the Bond Law the District Board is authorized to provide for the issuance and sale of the Series 2016 Bonds by resolution;

**WHEREAS**, the District, through the District Resolution, has requested that the County Board authorize the District to sell its proposed Series 2016 Bonds on its own behalf at a negotiated sale pursuant to Education Code section 15146, as permitted by Government Code section 53508.7, and the terms set forth in the District Resolution, and has represented and warranted to the County that it has not received a qualified or negative certification in its most recent interim report;

**WHEREAS**, the District, through the District Resolution, has also formally requested the County Board to levy taxes in an amount sufficient to pay the principal of and interest on the Series 2016 Bonds when due, and to direct the Auditor-Controller of the County (the "Auditor-Controller") to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Series 2016 Bonds, that will be provided to the Auditor-Controller by the District following the sale of such Series 2016 Bonds;

**WHEREAS**, the District has requested that the Treasurer and Tax Collector of the County (the "Treasurer") be appointed by the County Board to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series 2016 Bonds pursuant to the District Resolution;

**NOW, THEREFORE**, be it resolved, determined and ordered by this Board of Supervisors of the County of Los Angeles as follows:

**Section 1. Authorization of Negotiated Sale.** That the District may sell the Series 2016 Bonds on its own behalf, pursuant to the Bond Law and Section 15140(b) of the Education Code.

**Section 2. Levy of Taxes.** That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Series 2016 Bonds.

**Section 3. Preparation of Tax Roll.** That the Auditor-Controller is hereby directed to place on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedules for the Series 2016 Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Series 2016 Bonds.

**Section 4. Paying Agent.** That the Treasurer, or the Treasurer's third-party designee, act as Paying Agent for the Series 2016 Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

**Section 5. Indemnification of County.** The County acknowledges and relies upon the fact that the District has represented that it shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of this resolution, or related to the proceedings for sale, award, issuance and delivery of the Series 2016 Bonds in accordance herewith and with the District Resolution and that the District shall also reimburse

any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

**Section 6. Effective Date.** This resolution shall take effect from and after its adoption.

The foregoing resolution was, on the 5<sup>th</sup> day of April, 2016, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

LORI GLASGOW,  
Executive-Officer Clerk of the Board of  
Supervisors of the County of Los Angeles

By: *Rachelle Smitherman*

Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM,  
County Counsel

By: *Thomas R. Kiser*

Deputy County Counsel



Certified Copy of Resolution No. 15-22  
Adopted on March 8, 2016

I hereby certify that I am the Senior Director of Fiscal Services of the Lennox School District (the "District") and that I am authorized to execute this certificate on behalf of the District. I hereby further certify as follows:

Attached hereto is a complete copy of a resolution that was duly adopted by the Board of Trustees of the District at a meeting thereof that was duly called and held on March 8, 2016. The agenda for the meeting was posted at least seventy-two (72) hours before the meeting at the offices of the District at 10319 Firmona Avenue, Lennox, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda. At the meeting a quorum was present and acting throughout. The resolution has not been amended, modified, or rescinded since the date of adoption and is now in full force and effect.

Dated: March 21, 2016

**LENNOX SCHOOL DISTRICT**

By:



Kevin Franklin  
Senior Director of Fiscal Services



**COPY**

**RESOLUTION NO. 15-16**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
LENNOX SCHOOL DISTRICT  
PRESCRIBING THE TERMS AND AUTHORIZING THE ISSUANCE AND SALE OF  
BONDS OF THE DISTRICT; APPROVING FORMS OF AND AUTHORIZING  
EXECUTION AND DELIVERY OF A BOND ISSUANCE AGREEMENT AND A BOND  
PURCHASE AGREEMENT; AND AUTHORIZING EXECUTION OF NECESSARY  
CERTIFICATES**

WHEREAS, pursuant to Education Code sections 5304, 5322 and 15264 *et seq.*, and Article XIII A, Section 1(b)(3), and Article XVI, Section 18(b), of the California Constitution, the Board of Trustees (the "Board") of the Lennox School District (the "District") adopted its Resolution No. 07-05 on August 7, 2007, ordering a school bond election, which was then held in the District on November 6, 2007 (the "2007 Election");

WHEREAS, the bond measure for incurring bonded indebtedness (the "Bond Measure") was submitted to the electors of the District and abbreviated on the ballot as follows:

Measure L: To acquire, construct, repair, and improve Lennox charter high school facilities, including classrooms, science labs and support facilities, and improve student access to computers and modern technology, shall the Lennox School District be authorized to issue \$10,700,000 in bonds at legal interest rates, with annual audits, a citizens' oversight committee, no money for overhead or administrator salaries, and provided all funds are spent locally and cannot be transferred to the State?

WHEREAS, the returns of the 2007 Election were thereafter canvassed pursuant to law, the Certificate of Election received from the Los Angeles County Registrar of Voters verified that more than 55% (the amount required for passage) of the votes cast were in favor of issuing the general obligation bonds (the "Bonds"), and thereafter the Board certified the election proceedings to the Board of Supervisors of the County of Los Angeles (the "County");

WHEREAS, on behalf of the Board, the Board of Supervisors of the County issued the first series of the Bonds on December 27, 2007, designated the "Lennox School District (Los Angeles County, California), General Obligation Bonds, Election of 2007, Series 2007" in the aggregate principal amount of \$3,818,826.85;

WHEREAS, on behalf of the Board, the Board of Supervisors of the County issued the second series of the Bonds on March 1, 2012, designated the "Lennox School District (Los Angeles County, California), General Obligation Bonds, Election of 2007, Series 2012" in the aggregate principal amount of \$1,199,988.70;

WHEREAS, the Board has determined that it is necessary and desirable to issue and sell a third series of the Bonds, such series of the Bonds to be designated the "Lennox School District (Los Angeles County, California), General Obligation Bonds, Election of 2007, Series 2016" (the "Series 2016 Bonds") in an aggregate principal amount not to exceed \$1,500,000;

WHEREAS, California Government Code sections 53506 and following provide full authority for a school district to issue its general obligation bonds; and Government Code section 53508.7 authorizes the negotiated sale of school district bonds pursuant to California Education Code sections 15140 or 15146;

WHEREAS, Education Code section 15146(a) provides that the governing board of a school district may sell its bonds at negotiated sale; Education Code section 15140(b) provides that the board of supervisors of a county may authorize a school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if the school district has not received a qualified or negative certification in its most recent interim report;

WHEREAS, the District has not received a qualified or negative certification in its most recent interim report;

WHEREAS, the District will issue the Series 2016 Bonds pursuant to Government Code sections 53506 and following and, following authorization to be obtained from the Board of Supervisors of the County, the District will sell the Series 2016 Bonds at a negotiated sale pursuant to Education Code section 15146;

WHEREAS, Education Code section 15146(b)(1) requires the Board to adopt a resolution that (i) expressly approves the method of sale, (ii) states the reasons for the method of sale selected, (iii) discloses the identities of bond counsel, the financial advisor, and the underwriter, (iv) includes estimates of the costs of issuance, (v) if the sale includes capital appreciation bonds, discloses the financing term/maturity, repayment ratio, and the estimated change in the assessed value of taxable property in the district over the term of the bonds;

WHEREAS, if the sale includes capital appreciation bonds, Education Code section 15146(c) requires the Board to be presented with (i) an analysis containing the total overall cost of the capital appreciation bonds, (ii) a comparison to the overall cost of current interest bonds, (iii) the reasons capital appreciation bonds are being recommended, and (iv) a copy of the disclosure to be made by the underwriter in compliance with Municipal Securities Rulemaking Board Rule G-17;

WHEREAS, the statements and information required by subsections (a) and (b) of Education Code section 15146 are attached hereto as Exhibit A;

WHEREAS, this Resolution was submitted at two consecutive meetings of the Board of Education in compliance with Education Code section 15146(b)(2);

WHEREAS, the indebtedness of the District, including the proposed issuance of the Series 2016 Bonds, is within all limits prescribed by law;

WHEREAS, the following documents and proposed agreements relating to the issuance and sale of the Series 2016 Bonds, which are incorporated herein by reference, have been presented to the Board for its review and approval:

- a. a bond issuance agreement by which the District issues the Series 2016 Bonds and prescribes their terms (the "Bond Issuance Agreement"); and



b. a bond purchase agreement between the District and Cabrera Capital Markets, LLC (the "Underwriter"), whereby the Underwriter will agree to purchase the Series 2016 Bonds when and as issued and delivered by the District (the "Bond Purchase Agreement");

c. the Official Statement (the "Official Statement") describing the Series 2016 Bonds and the District; and

d. the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), whereby the District undertakes to provide annual reports and material events notices as required under federal securities laws;

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Series 2016 Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Lennox School District, as follows:

**Section 1. Recitals; Incorporation of Statements and Information.** The Board hereby finds and determines that the foregoing recitals are true and correct. The statements and information contained in Exhibit A have been presented to the Board, are hereby adopted by the Board, and are incorporated herein by this reference.

**Section 2. Issue Authorized.** The Board hereby authorizes the issuance of the Series 2016 Bonds in an aggregate principal amount not to exceed \$1,500,000. A portion of the Series 2016 Bonds may be issued as capital appreciation bonds.

**Section 3. Authorization of Officers to Execute and Deliver Documents.** The Board hereby authorizes the President, Vice President, Secretary, and Clerk of the Board, the Superintendent, Senior Director of Fiscal Services, and the Assistant Superintendent of Administrative Services of the District, and their respective designees (the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the District, to approve, execute, and deliver the following agreements and documents:

- a. the Bond Issuance Agreement,
- b. the Bond Purchase Agreement,
- c. the Official Statement, and
- d. the Continuing Disclosure Certificate,

in substantially the form presented to this meeting, which agreements and documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the agreements or documents for the District. The execution of the foregoing by a Designated Officer or Officers of the District shall constitute conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of agreements and documents presented to this meeting. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, form, registration privileges, place or places of payment, terms of redemption,

and other terms of the Series 2016 Bonds and provisions relating to municipal bond insurance, shall be as provided in the Bond Issuance Agreement as finally executed

**Section 4. Approval of Sale of the Series 2016 Bonds.** The Board hereby requests the Board of Supervisors of the County to authorize the District to sell the Series 2016 Bonds at a negotiated sale pursuant to Government Code section 53508.7 and Education Code section 15146. The Board hereby authorizes the sale of the Series 2016 Bonds by negotiated sale to the Underwriter for offering by the Underwriter to the public. The Board authorizes the Designated Officers, and each of them individually, on behalf of this Board, to negotiate the final terms of the sale of the Series 2016 Bonds with the Underwriter and to execute the Bond Purchase Agreement and deliver it to the Underwriter; provided that the underwriter's discount shall not exceed 4% of the principal amount of the Series 2016 Bonds.

**Section 5. Insurance.** The Designated Officers are each hereby authorized and directed to qualify the District for municipal bond insurance for the Series 2016 Bonds and are hereby authorized to obtain the insurance if the cost of the insurance is less than the present value of the estimated interest savings produced thereby. The Designated Officers are each hereby authorized to execute and deliver any contracts required for such insurance, including any required mutual insurance agreement in the insurer's standard form.

**Section 6. Distribution of Official Statement.** The Board hereby authorizes and directs the Underwriter to distribute copies of the Official Statement in preliminary form to persons who may be interested in the purchase of the Series 2016 Bonds and to deliver copies of the final Official Statement to all purchasers of the Series 2016 Bonds. The Board hereby authorizes and directs the Designated Officers, and each of them individually, to deliver to the Underwriter a certificate to the effect that the District deems the preliminary Official Statement, in the form approved by the Designated Officer, to be final and complete as of its date.

**Section 7. Valid Obligations.** The Board hereby determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Series 2016 Bonds in order to make them legal, valid, and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series 2016 Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are hereby pledged for the timely payment of the principal and interest on the Series 2016 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2016 Bonds.

**Section 8. Paying Agent.** The Board hereby requests the Board of Supervisors of the County to authorize the Los Angeles County Treasurer and Tax Collector (the "Treasurer") to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series 2016 Bonds. The Board does hereby appoint the Treasurer as Paying Agent. The Treasurer is authorized to contract with any third party to perform the services of the Paying Agent. The District acknowledges that ongoing expenses and fees of the Paying Agent and all other fees and costs incurred in connection with the Series 2016 Bonds will be paid by the District.

**Section 9. Building Fund and Debt Service Fund.** (A) Building Fund. The District hereby requests that the Los Angeles County Auditor-Controller (the "Auditor-Controller") establish

and create the "Lennox School District, Election of 2007, Series 2016 Building Fund," (the "Building Fund") and keep such fund separate and distinct from all other District and County funds. The District hereby further requests that the Treasurer deposit the proceeds of the sale of the Bonds (except any premium or accrued interest received from the sale) into the Building Fund for use by the District to pay the costs of the school facilities described in the Bond Measure approved by the voters of the District and costs of issuance of the Bonds.

(B) Debt Service Fund. The District hereby requests that the Auditor-Controller establish and create and/or maintain the "Lennox School District, Election of 2007, Series 2016 Debt Service Fund" (the "Debt Service Fund") and keep such fund separate and distinct from all other District and County funds. The District hereby further requests that the Treasurer deposit any premium received from the sale of the Bonds into the Debt Service Fund. The District hereby further requests that the Auditor-Controller withdraw from the Debt Service Funds and transfer to the Paying Agent at the times requested by the District the amounts required to pay debt service on the Bonds and to pay the fees and expenses of the Paying Agent.

**Section 10. Retention of Professionals.** Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is hereby appointed bond counsel and disclosure counsel to the District, and Keygent LLC is hereby appointed as Financial Advisor to the District, for the transaction contemplated herein.

**Section 11. Official Intent.** The District intends to undertake the construction, repair and acquisition of school facilities and equipment, described in the Bond Measure (the "Improvements"), to serve the District. The District intends to use the proceeds of its Bonds described in this Resolution to finance the Improvements. The District expects to pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Improvements prior to the issuance by it of the indebtedness for the purpose of financing the costs of the Improvements on a long-term basis. The District reasonably expects that the Bonds debt obligations will be issued by it for the purpose of financing the cost of the Improvements on a long-term basis and that certain of the proceeds of such debt obligations will be used to reimburse the District for the Reimbursement Expenditures.

The Board hereby declares the District's official intent to use a portion of the proceeds of the proposed indebtedness to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2 of the Internal Revenue Code of 1986.

**Section 12. Authorization of Officers to Execute Documents.** The Board hereby authorizes and directs the Designated Officers or their respective designees, and each of them individually, to do any and all things, to take any and all actions, and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers and staff that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed and approved in all respects.

**Section 13. Levy of Tax.** The District hereby requests the County Board of Supervisors to take any and all actions as may be required by the County or otherwise necessary in order to



arrange for the levy and collection of taxes for payment of the Bonds and the deposit and investment of Bond proceeds.

**Section 14. Indemnification of County.** The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of any resolution by the Board of Supervisors of the County authorizing the District to sell the Series 2016 Bonds without the further action of the Board of Supervisors pursuant to Education Code section 15146, as permitted by Government Code section 53508.7. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

**Section 15. Effective Date.** This resolution shall take effect immediately upon its passage.

**APPROVED, PASSED, AND ADOPTED** on March 8, 2016 by the Board of Trustees of the Lennox School District by the following vote:

AYES: 4  
NOES: 0  
ABSENT: 0  
ABSTAIN: 1

  
\_\_\_\_\_  
President of the Board of Trustees

ATTEST:

  
\_\_\_\_\_  
Secretary of the Board of Trustees

**EXHIBIT A**  
**ITEMS REQUIRED PURSUANT TO**  
**SUBSECTIONS (B) AND (C) OF EDUCATION CODE SECTION 15146**

**Express approval of the method of sale:**

Section 4 of the resolution to which this exhibit is attached expresses the Board's approval of the sale of the Series 2016 Bonds by negotiated sale to the Underwriter for offering by the Underwriter to the public.

**Reasons for negotiated sale:**

Negotiated sale will provide more flexibility in the timing of the sale, ability to implement the sale in a shorter time period, an increased ability to structure the Series 2016 Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriter to pre-market the Series 2016 Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds.

**Professionals:**

Bond counsel: Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation  
 Financial Advisor: Keygent LLC  
 Underwriter: Cabrera Capital Markets, LLC

**Estimates of the costs of issuance of the Series 2016 Bonds:**

The estimated costs of issuance (including an estimate of compensation for the underwriter but excluding municipal bond insurance premium) are 15% of the principal amount of the bonds.

**Financing term/maturity:**

Illustrative Option 1 includes only current interest bonds ("CIBs"), while Illustrative Option 2 includes both CIBs and capital appreciation bonds ("CABs").

Illustrative Option 1 - CIBs Only						Illustrative Option 2 - CIBs and CABs					
Date	Principal	Interest	Aggregate Measure L			Principal	Interest	Aggregate Measure L			
			Debt Service	Net	Projected Tax			Debt Service	Net	Projected Tax	
			Fund	Debt Service	Rate <sup>(1)</sup>			Fund	Debt Service	Rate <sup>(1)</sup>	
8/1/16	\$ -	\$ 16,202	\$ (16,202)	\$ -	\$ 25.54	\$ -	\$ 1,445	\$ (1,445)	\$ -	\$ 25.54	
8/1/17	15,000	57,750	-	72,750	34.61	15,000	5,150	-	20,150	29.67	
8/1/18	30,000	57,450	-	87,450	34.29	30,000	4,850	-	34,850	29.60	
8/1/19	25,000	56,850	-	81,850	34.38	25,000	4,250	-	29,250	29.84	
8/1/20	30,000	56,350	-	86,350	34.36	30,000	3,750	-	33,750	29.96	
8/1/21	25,000	55,750	-	80,750	34.06	25,000	3,150	-	28,150	29.81	
8/1/22	25,000	55,000	-	80,000	34.07	25,000	2,400	-	27,400	29.95	
8/1/23	20,000	54,250	-	74,250	33.95	20,000	1,650	-	21,650	29.96	
8/1/24	15,000	53,650	-	68,650	33.50	15,000	1,050	-	16,050	29.63	
8/1/25	15,000	53,200	-	68,200	33.67	15,000	600	-	15,600	29.92	
8/1/26	-	52,600	-	52,600	33.56	-	-	-	-	29.95	
8/1/27	-	52,600	-	52,600	33.45	-	-	-	-	29.94	
8/1/28	-	52,600	-	52,600	33.38	-	-	-	-	29.98	
8/1/29	20,000	52,600	-	72,600	31.78	20,072	19,928	-	40,000	29.77	
8/1/30	10,000	51,500	-	61,500	31.98	11,910	13,090	-	25,000	29.76	
8/1/31	15,000	51,000	-	66,000	32.12	13,569	16,431	-	30,000	30.00	
8/1/32	10,000	50,250	-	60,250	31.91	10,736	14,264	-	25,000	29.90	
8/1/33	5,000	49,750	-	54,750	31.99	6,115	8,885	-	15,000	29.79	
8/1/34	10,000	49,500	-	59,500	32.04	7,741	12,259	-	20,000	29.93	
8/1/35	-	49,000	-	49,000	32.04	1,837	3,163	-	5,000	29.75	
8/1/36	-	49,000	-	49,000	32.28	-	-	-	-	29.83	
8/1/37	205,000	49,000	-	254,000	11.93	203,712	411,288	-	615,000	29.86	
8/1/38	200,000	38,750	-	238,750	11.21	199,695	435,305	-	635,000	29.86	
8/1/39	195,000	28,750	-	223,750	10.17	195,563	459,437	-	655,000	29.83	
8/1/40	190,000	19,000	-	209,000	9.20	192,754	487,246	-	680,000	29.99	
2/1/41	190,000	9,500	-	199,500	8.51	188,384	511,616	-	700,000	29.90	
(1) Total	\$1,250,000	\$1,221,852	\$ (16,202)	\$ 2,455,650		\$1,252,090	\$2,421,205	\$ (1,445)	\$ 3,671,850		

Per \$100,000 of assessed value.

**Repayment ratio (the entire series of bonds):**

Illustrative Option 1: 1.96 to 1

Illustrative Option 2: 2.93 to 1

**Estimated change in the assessed value ("AV") of taxable property in the District over the term of the Series 2016 Bonds:**

3.0% for fiscal year 2016-2017 and 3.25% thereafter.

**Total overall cost of the Series 2016 Bonds that are capital appreciation bonds:**

In Illustrative Option 2, the estimated principal amount of CABs is \$1,052,090 (or about 84%) with an estimated debt service cost of \$3,445,000. This is a repayment ratio for the CABs of 3.27 to 1.

**Comparison to the overall cost of issuing only current interest bonds**

Illustrative Option 1 shows the cost of issuing only CIBs. The difference in the overall debt service cost between Illustrative Option 1 (CIBs) and Illustrative Option 2 (CIBs and CABs) is estimated at \$1,216,200. However, because Illustrative Option 1 results in projected tax rates in fiscal years 2017 through 2036 that exceed \$30 per \$100,000 of AV, which is the limit set on projected rates by Education Code section 15268 for Proposition 39 bonds, issuing only CIBs is not legally permitted.

**The reason capital appreciation bonds are being recommended**

The District's financial advisor has recommended the use of capital appreciation bonds because that will allow the District to issue the proposed amount of bonds in compliance with the requirement that the projected tax rates not exceed \$30 per \$100,000 of assessed value in any fiscal year.

**A copy of the disclosure made by the Underwriter (defined herein) in compliance with Municipal Securities Rulemaking Board Rule G-17.**

attached